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CARRIER-ILA CONTAINER FREIGHT STATION TRUST FUND
AGREEMENT AND DECLARATION OF TRUST

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AGREEMENT and DECLARATION OF TRUST made the 14th day of June, 1989, effective as of April 15, 1989, by and between the CARRIERS CONTAINER COUNCIL, INC. (hereinafter referred to as "CCC"), the INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, (hereinafter referred to as the "Union" or "ILA"), hereinafter jointly referred to as the "Parties", and the Messrs. Edward J. Kelly, Robert E. Martin, James P. Melia, David J. Tolan and Thomas Yost, appointed by CCC, and Messrs. John Bowers, Albert Cernadas, Anthony Pimpinella, J. H. Raspberry and Benny Holland, Jr., appointed by the Union (who with their successors, designated in the manner hereinafter provided, are called the "Trustees").

W I T N E S S E T H:

WHEREAS, the Parties hereto and the Employers have entered into a Container Freight Station Agreement ("CFS Agreement") dated March 31, 1989 providing for the establishment and administration of a joint labor-management container freight station fund in order to encourage economic development, protect job opportunities and job security in the major container ports and to pay supplemental income and other employee fringe benefits to those persons employed at Container Freight Stations to be established in major container ports; and

WHEREAS, the CFS Agreement provides for assessments to provide funds for the payment of supplemental income and other employee fringe benefits to employees of such Container Freight Stations; and

WHEREAS, the Parties pursuant to the CFS Agreement have agreed to the establishment of the CARRIER-ILA CONTAINER FREIGHT STATION TRUST FUND for the purpose of receiving assessments from the Carriers for supplemental income and other fringe benefits other than pension and to disburse said assessments in accordance with the terms and provisions of the CFS Agreement; and

WHEREAS, the Parties have entered into this Trust Agreement for the collection, administration, investment and disbursement of said funds;

NOW, THEREFORE, in consideration of the promises and of the mutual agreements of the Parties, it is hereby agreed that this Agreement and Declaration of Trust shall read as follows:

ARTICLE I

The Fund

There is hereby established the CARRIER-ILA CONTAINER FREIGHT STATION TRUST FUND (hereinafter referred to as "Fund").

ARTICLE II

Definitions

1. "Assessment" means the sum of thirty cents (\$.30) per long ton of cargo which the Carriers shall contribute to the Fund on each container moved by the Carriers on and

off their ships on the Atlantic or Gulf Coasts, pursuant to the terms of the CCC-ILA Master Collective Bargaining Agreement, except on containers which are stuffed or stripped by deep-sea ILA labor or on containers in the northbound Puerto Rican trade, as well as on containers otherwise exempt from container royalty under the CCC-ILA Master Collective Bargaining Agreement.

2. "Employers" shall mean any Employer that is a party to the CCC-ILA Master Collective Bargaining Agreement and who with the consent of CCC and ILA becomes a signatory to this Trust Agreement and/or the CFS Agreement.

3. "Carrier" means a member of CCC which has authorized CCC to represent it in collective bargaining.

4. "CFS Operator" means any person who has received approval from the CFS Trust Fund to operate a Container Freight Station and who is stuffing and stripping only containers loaded or unloaded from ships of a carrier member of CCC in order to receive the benefits of this Trust.

5. "CFS Agreement" means the collective bargaining agreement entered into on March 31, 1989 between CCC, NYSA, CONASA, SAENC, SEFEPA, BSA and the ILA and any extensions or modifications thereof. The terms CFS Agreement and collective bargaining agreement may be used synonymously and/or interchangeably herein.

6. "Contract Year" means October 1st of each year, during the term of the collective bargaining agreement, to September 30th of the subsequent year.

7. "Deep-sea ILA Labor" means ILA employees who are covered under the CCC-ILA Master Collective Bargaining Agreement.

8. "Supplemental Income" means a benefit to be paid for employees of Container Freight Stations in the amount of the difference between deep-sea ILA wages and fringe benefit costs as provided by the CCC-ILA Master Collective Bargaining Agreement and the area standard for employees performing similar work as determined by the Trustees.

9. "Plan" means the CFS Plan described herein.

10. "Fund" means the Trust Fund for which provision is made herein.

11. "Trustees" means the Trustees described in Article IV.

12. "Board" means the Board of Trustees as provided in Article IV.

13. "Member of the Board" means a member of the Board of Trustees as provided in Article IV.

ARTICLE III

Purposes of the Fund

It is agreed that the Fund is and shall constitute an irrevocable trust pursuant to Section 302 (c) of the Labor-Management Relations Act of 1947, as amended, for the following purposes:

- (a) to promote employment opportunities by establishing Container Freight Stations in such major container ports where it can be

shown that such Container Freight Stations are needed to encourage economic development by stuffing and stripping of less-than-container load ("LCL"), less-than-trailer load ("LTL"), full-container load ("FCL"), vendor consolidation and other cargo not presently handled for the account of the carrier at waterfront facilities by deep-sea ILA labor and to create a dedicated ILA work force in each port to productively and efficiently stuff and strip containers and to work as directed by the employer within the craft; and

- (b) to collect all assessments from the Carriers and to distribute the monies collected, less costs of administration, as reimbursement to the CFS Operators for supplemental income paid for employees and for contributions paid by such Operators to various employee fringe benefit funds, other than pension funds, which have been established in accordance with the provisions of various collective bargaining agreements, or to make contributions directly to such fringe benefit funds, other than pension funds.

This Agreement and Declaration of Trust creating such Fund is the result of collective bargaining engaged in by the Parties pursuant to the requirements of the Labor-Management Relations Act.

1. Creation of Container Freight Stations

Any person planning to operate a Container Freight Station must first apply to and be approved by the Fund under the rules, regulations and procedures adopted by the Trustees. Each applicant must supply a business plan to the Trustees as part of its application. Such business plan must show that the applicant is able to operate in furtherance of the purposes of the Fund, as described in this Article.

2. Staffing of Container Freight Stations

In order to create a dedicated ILA work force to productively and efficiently stuff and strip containers, the Fund may approve the establishment of Container Freight Stations in major container ports under the conditions established in the CFS Agreement dated March 31, 1989, as may be amended from time to time.

3. Contributions

In accordance with the CFS Agreement, effective April 15, 1989, the Carriers shall contribute to the Fund an assessment in the amount of thirty cents (\$.30) per long ton of cargo on each container moved by them on and off their ships on

the Atlantic or Gulf Coasts, pursuant to the terms of the CCC-ILA Master Collective Bargaining Agreement, except for (a) containers which are stuffed and stripped by deep-sea ILA labor, (b) containers in the northbound Puerto Rican trade or (c) on containers otherwise exempt from container royalty under the CCC-ILA Master Collective Bargaining Agreement. CCC shall be the agent for the collection of this assessment directly from the individual carriers. CCC shall then deposit such monies into the Fund.

Each Carrier (both private and governmental) shall be solely responsible for the payment of any assessments provided for in this Trust Agreement. The ILA need not supply labor to work the vessels or cargo of any carrier which has failed to comply with the provisions of this Trust Agreement.

4. Distributions

The Fund shall distribute the monies collected, less costs of administration, to authorized and approved CFS Operators as defined in Article II, Section 4, as follows:

Supplemental Income - The Fund may reimburse CFS Operators for supplemental income paid to employees.

Other Employee Fringe Benefits - The Fund may also reimburse such CFS Operator for contributions actually paid by such operator to various fringe benefit funds, other than pension, or may in an appropriate case, make such contributions directly to such fringe benefit funds, other than pension funds.

ARTICLE IV

Trustees

1. Appointment of Trustees

The CFS Fund shall be administered by a Board of Trustees composed of five (5) representatives appointed by the CCC and five (5) representatives appointed by the Union.

CCC hereby appoints Messrs. Edward J. Kelly, Robert E. Martin, James P. Melia, David J. Tolan and Thomas Yost as the representatives of the CCC.

The Union hereby appoints Messrs. John Bowers, Albert Cernadas, Anthony Pimpinella, J. H. Raspberry, and Benny Holland, Jr. as the representatives of the Union.

2. Chairmen

Messrs. Tolan and Bowers shall act as Co-Chairmen of the Board of Trustees and shall alternate monthly in serving as Chairman of the full Board of Trustees.

3. Withdrawal of Trustees

CCC may terminate the designation of any Trustee designated by it by mailing or delivering to said Trustee, to each of the remaining Trustees and to the Union, a true copy of a resolution by CCC terminating said designation. The Union may terminate the designation of any Trustee designated by it by mailing or delivering to said Trustee, to each of the remaining Trustees and to CCC, a true copy of a resolution adopted by the Union terminating said designation.

Any Trustee may resign by instrument in writing executed for that purpose and mailed or delivered to each of the remaining Trustees, CCC, and the Union.

In the event of the resignation, death, incapacity or unwillingness to serve of any of the Trustees, CCC or the Union, whichever is applicable, shall appoint the successor of any Trustee appointed by it.

Any successor Trustee, named and appointed as hereinabove provided, shall, upon his signature to this Agreement and Declaration of Trust, without further act, become vested with all the estate, rights, powers, discretion and duties of his predecessor Trustee with like effect as if originally named as a Trustee herein.

Any retiring Trustee shall forthwith turn over to the remaining Trustees at the office of the Fund any and all records, books, documents, monies and other property in his possession owned by the Trustees or incident to the fulfillment of this Trust Agreement and the administration of the Trust Fund.

The powers of the Trustees to act, as above provided, shall not be impaired or limited in any way, pending the appointment of a successor Trustee to fill any vacancy resulting from the withdrawal of any Trustee for any of the reasons herein provided.

4. Term

The term of the Trustees shall be for the duration of this Trust Agreement and as long thereafter as the proper consummation and administration of the Trust shall require.

5. Compensation

No Trustee shall receive any compensation for his services rendered hereunder except that, upon the presentation

of a voucher in a form satisfactory to the Board, the Trustees shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their official duties.

6. Action by and Meetings of Trustees

To constitute a quorum for the transaction of business, there shall be required to be present at any meeting of the Board of Trustees at least three (3) CCC Trustees and three (3) Union Trustees. At all meetings, the CCC Trustees shall have a total of five (5) votes and the Union Trustees shall have a total of five (5) votes, the votes of any absent Trustee being divided equally between the Trustees present appointed by the same party.

The exercise of any right or power granted to the Trustees under this instrument shall be only by the approval of a majority of the votes cast at a meeting of the Trustees duly called by written notice mailed at least three days before the date of the meeting; except that notice of any meeting of the Trustees may be waived in writing, signed by all of the Trustees. Any meeting may be called by either Chairman or by any three (3) Trustees.

Any instrument in writing so authorized may be signed by the two Co-Chairmen or by any six (6) of the Trustees. Any instrument so executed and all action taken in accordance with this provision shall have the same force and effect as if taken by all the Trustees. All parties dealing with the Trustees may rely on any instrument so executed and on any action so taken as having been duly authorized.

7. Neutral Umpire in Case of Deadlock

In the event a deadlock shall arise over the administration of the Fund, or on any question before the Trustees, the dispute shall be settled by arbitration. The parties shall agree on an arbitrator to hear and determine such disputes. In the event that they are unable to agree upon such selection within five (5) days of the date on which the dispute is deadlocked, the arbitrator shall be designated under the Impartial Umpire Rules for Arbitration of Impasses Between Trustees of Joint Employee Benefit Trust Funds administered by the American Arbitration Association. The decision of the arbitrator shall be final and binding on the parties and on any Employer, Carrier, ILA and ILA Locals and CFS Operator covered by the CCC-ILA Master Collective Bargaining Agreement.

ARTICLE V

Powers and Duties
of the Trustees

The Trustees shall have the power and the duty to take all action and to make all decisions necessary or proper to carry out the Plan. The determination of the Trustees as to any questions involving the general administration and interpretation of the Plan shall be final, conclusive and binding. Without limiting the generality of the foregoing, the Trustees shall have the following powers:

1. to demand, collect, receive and hold monies due the Fund and take such steps, including arbitration as herein set forth, the institution and prosecution of, or the intervention

in, any proceeding at law, in equity or in bankruptcy as may be necessary or desirable to accomplish the collection of such monies.

2. (i) to hold a hearing on notice and render a decision in the event of a bona fide dispute as to the amount due and owing from any Carrier to the Fund and/or in the event of a delinquency in the payment of assessments by any Carrier. At such hearing, the Carrier may appear in person and has the right to be represented by counsel of its own choosing. The decision of the Trustees shall be a final and binding arbitration award and subject to confirmation in any court of competent jurisdiction and may include, in addition to unpaid assessments, interest at the rate of 1 1/2% per month and expenses of collection, including, but not limited, to attorneys' and auditors' fees.

(ii) In the event a disagreement or deadlock shall arise under this Section, the provisions of Article IV, Section 7 as to the selection of an arbitrator, shall apply.

3. to employ such agents, legal counsel, auditors, investigators, and clerical and administrative personnel as may, in their discretion, be proper or necessary for the sound and efficient administration of the Trust. The Trustees may also, in their discretion, enter into a working agreement with any company providing for the performance of administrative and clerical duties in connection with the operation of the Fund.

4. to buy, sell and own title to personal property.

5. to borrow monies from any bank or trust company and to make the necessary arrangements for repayment of such monies from future assessments collectible pursuant to the provisions of the CFS Agreement.

6. to make rules and regulations not inconsistent with the terms hereof, or the CFS Agreement, necessary to carry out the provisions of this Trust Agreement.

7. to require any person to furnish such information as it may request for the purpose of the proper administration of the Plan as a condition to receiving any benefits under the Plan.

8. to terminate relations with any CFS Operator or to amend or otherwise modify the relationship of the Plan with any CFS Operator.

9. to interpret or construe the Plan and to resolve ambiguities, inconsistencies and omissions, which findings shall be binding, final and conclusive.

10. to allocate any such powers and duties to or among individual members of the Trustees.

11. to designate persons other than Trustees to carry out any duty or power which would otherwise be a fiduciary responsibility of the Trustees under the terms of the Plan.

12. No Trustee acting hereunder shall be liable for any action taken or omitted by him in good faith, nor for the acts or omissions of any agent, employee or attorney selected by the Trustees with reasonable care, nor for any act or omission of

any other Trustee; nor shall any Trustee be individually or personally liable for any of the obligations of the Trustees, acting as such, or of the Fund.

13. Neither CCC nor the Union shall be liable in any respect for any of the obligations of the Trustees because such Trustees are officers of, or in any way associated with, any Employer, CCC, or the Union, it being understood that each of the Trustees designated as such by either CCC or the Union does not act as agent of any person, firm, corporation or organization.

ARTICLE VI

Amendment of Trust Agreement

Only the Parties, not the Trustees, shall have the power to amend this Trust Agreement at any time or from time to time, except that no amendment shall divert the CFS Fund as then constituted, or any part thereof, to a purpose other than that set forth in Article III of this Agreement.

ARTICLE VII

The Monies Received by the Trustees

1. Declaration of Trust

The Trustees hereinabove named and their successors declare that they will receive and hold the payments herein provided for and any other money or property which may be entrusted to them, as Trustees hereunder, with the powers and duties and for the use, purposes and trusts herein named and for none other.

2. Purposes of Monies Paid

All the monies paid into said Fund shall be held exclusively for the purpose of providing the employee supplemental income and employee fringe benefits enumerated in the CFS Agreement, together with costs of administration, and neither the Union nor CCC nor any employer or employee nor any beneficiary has any right, title or interest in any of the monies of this Fund. It is the intention of the parties hereto that said Fund shall constitute an irrevocable Trust for the benefit of joint labor-management employee fringe benefits funds except joint labor-managment pension funds and that no benefits or monies of this Fund shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void.

No employee shall have any right, interest or title to the Fund or any part thereof. The monies paid or to be paid into said Fund shall not be liable for or subject to the debts, contracts, or liabilities of CCC, the employers, employees, beneficiaries or the Union or its affiliated Locals.

3. Application of the Monies

Any and all monies received by the Trustees shall be received by them as part of the Trust Fund to be administered and disposed of for the following purposes:

(a) (i) To pay no less than the amounts provided under the collective bargaining agreement to the Funds described in Article III.

(ii) To repay to any bank or trust company any monies borrowed by the Fund pursuant to Article V.

(b) To pay the expenses of this Trust and all reasonable and necessary expenses of collecting monies due the Fund, of administering the affairs of this Trust, including the employment of assistants, agents, investigators, auditors and counsel, the leasing of premises and the purchase or lease of such materials, supplies and equipment as the Trustees, in their discretion, find necessary or appropriate in the performance of their duties.

(c) To provide, in the discretion of the Trustees, for each of the Trustees and all other persons authorized to handle, deal with, or draw upon the monies in the Fund for any purpose whatsoever:

(i) fidelity bonds to be secured from such companies and in such amounts as the Trustees shall determine;

(ii) errors and omissions insurance coverage; and

(iii) fiduciary liability insurance coverage.

(d) To provide for the payments and distributions described in Article III, Section 4.

(e) The Trustees shall deposit all monies received by them in such banks as they may select for that purpose. The Trustees shall invest so much of the monies received as they deem wise and as are not immediately necessary for the payment of supplemental income, other employee fringe

benefits or costs of administration as herein provided, in securities and investments which are legal for trust funds under the laws of the State of New York.

ARTICLE VIII

Miscellaneous

1. Checks to the Fund shall be made payable to the "Carrier-ILA Container Freight Station Trust Fund."

2. The office of the Trustees shall be at 17 Battery Place, New York, New York 10004 and at any other offices fixed by the Trustees.

3. Audits and Report

An annual audit of the Fund, the CFS Operators and the Carriers shall be made by independent certified public accountants to be designated by the Trustees. A statement of the results of said annual audit shall be made available for inspection of interested persons at the principal office of the Fund and at such other places as may be designated by the Trustees. More frequent audits may be made at the discretion of the Trustees. The Trustees agree to furnish to the CCC and the Union, from time to time at regular intervals, reports representing the status of the Fund, application of the monies received by it and other pertinent information regarding the operation of the Fund, but the Trustees shall not be required to furnish such reports more often than annually.

4. CFS Operators' Records

The CFS Operators shall furnish to the Trustees, upon request, any and all records pertaining to their respective

employees, including records of the names and classifications of such employees, the number of hours for which each employee has been employed, Social Security Numbers, the nature of the work performed by each such employee, the identity and number of containers worked on by such employees and any other information pertaining to any of such employees that the Trustees may require in connection with the sound and efficient administration of the Fund created hereby.

5. Situs of Trust

This Trust is accepted by the Trustees in the State of New York and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of that State.

6. This Agreement and Declaration of Trust is subject to the approval of the Internal Revenue Service and any other governmental agency having jurisdiction hereof.

ARTICLE IX

Term of Trust and Termination

This Agreement and the Trust created hereby shall continue until either party gives 90 days written notice of its desire to cancel said Agreement, in which event said Agreement shall terminate the 90th day following such notice. The Trustees, however, shall continue thereafter to perform and carry out the provisions of the Trust, to receive such contributions as may be made to them, and to administer the Fund until the disbursements of all monies shall have been completed and all obligations under the CFS Agreement and under the Trust shall have been fulfilled.

Upon the termination or liquidation of the Trust and the fulfillment of the purposes specified in Article III of this Trust Agreement, the Trustees shall turn over any surplus monies in the Fund, any real or personal property belonging to the Trust, and such other assets remaining in said Trust as may be determined by the Parties hereto.

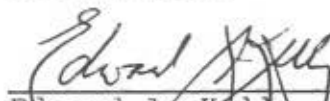
ARTICLE X

Counterparts

This Agreement and Declaration of Trust may be executed in a number of counterparts each of which shall have the force of an original.

IN WITNESS WHEREOF, the Trustees have executed this instrument to evidence their acceptance of the Trust hereby created and their agreement to be bound thereby, and all other parties have executed this Trust Agreement this day of June, 1989.

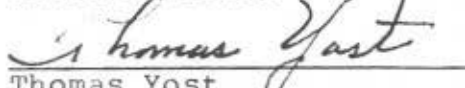
CCC TRUSTEES


Edward J. Kelly

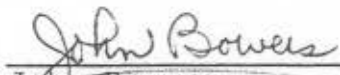

Robert E. Martin


James P. Melia

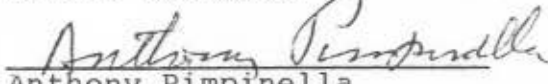

David J. Tolán


Thomas Yost

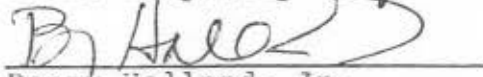
ILA TRUSTEES


John Bowers


Albert Cernadas


Anthony Pimpinella


J. H. Raspberry


Benny Holland, Jr.

CARRIERS CONTAINER COUNCIL, INC.
For and on behalf of its
Carrier-members

By:

David J. Alan
Chairman

INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION, AFL-CIO
For itself and its affiliated
Locals

By:

John Bowles
President

(#1216E)